

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY FOR AN ORDER APPROVING)	
ACCOUNTING PRACTICES TO ESTABLISH)	CASE NO.
REGULATORY ASSETS AND LIABILITIES)	2009-00352
RELATED TO THE EXTRAORDINARY EXPENSES)	
INCURRED BY KENTUCKY POWER COMPANY IN)	
CONNECTION WITH THREE MAJOR EVENT)	
STORMS IN 2009)	

FIRST DATA REQUEST OF COMMISSION STAFF

Pursuant to 807 KAR 5:001, Kentucky Power Company (“Kentucky Power”) is to file with the Commission an original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 12, 2009. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person’s knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Section 6 of Kentucky Power's Application. Kentucky Power has classified three storms as major events under IEEE Standard 1366. As stated by Kentucky Power, a major event is defined as any day in which their System Average Interruption Duration Index exceeds the threshold value of T_{med} .

a. What is Kentucky Power's T_{med} value? Did each day indicated in the time periods for each major event cited exceed Kentucky Power's value?

b. Is Kentucky Power aware of any other utilities that use this classification to determine major events?

2. Refer to Sections 13, 18 and 22 of Kentucky Power's Application. Kentucky Power provides the number of contract persons used to restore the system for each major event identified in the Application. Provide the total number of Kentucky Power employees that were utilized in the restoration efforts, by department, for each major event.

3. Refer to Section 27 of Kentucky Power's Application.

a. There is no deduction from Total Expenses Recorded of any property and casualty insurance proceeds. Does Kentucky Power maintain property and casualty insurance on its distribution and transmission systems? If yes, provide the amount of proceeds it can expect to receive for the storm damage.

b. If no, explain why Kentucky Power does not carry property and casualty insurance and the most recent quotes for such insurance.

c. The calculation of Total Expense Recorded contains an amount for Estimated Billings Yet to be Recorded of \$2,004,935. What is Kentucky Power's expectation of when the final actual costs related to the three major events cited will be known?

d. Explain why the Storm Expense Currently In Base Rates is being subtracted from the storm costs.

4. Refer to Section 32 of Kentucky Power's Application. Kentucky Power states that it is requesting relief from the Commission by December 31, 2009 in order to maintain accurate financial statements. Provide the date by which Kentucky Power will close its books for the calendar year 2009.

5. Refer to Exhibit 1 of Kentucky Power's Application.

a. The schedules in Exhibit 1 provide year-to-date costs through July, 2009. Provide an update of actual costs and estimated costs through the most recent date for which the information is available as of the due date for the response to this request.

b. Provide the location in Exhibit 1 of costs to house and feed crews working to restore service and include a detailed breakdown of these costs. If these costs are not included in the Application, explain why they are not included.

c. Provide a detailed breakdown of the Other Costs Category-Employee/Contractor Expense for all the three major event storms.

6. Refer to Exhibit 1, pages 5, 9 and 13.

a. Provide supporting calculations of the non-incremental amounts shown in Column C of the referenced pages.

b. The amounts for Expenses-Non-Incremental (O&M) pertain only to two contractors, Asplundh Tree Expert and Davis H. Eliot. Provide an explanation why only these two contractors are considered non-incremental.

7. Provide the level of storm-related costs Kentucky Power has incurred, aside from these three major events, for 2009 year to date.



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DATED: SEP 30 2009

cc: All parties

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